

**BEFORE THE
UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C.**

PUBLIC DOCUMENT

CERTAIN STEEL PRODUCTS

Exclusion Requests

**SANDVIK STEEL COMPANY'S RESPONSE TO COMMENTS
ON PRESIDENTIAL ACTION
UNDER SECTION 203(a) OF THE TRADE ACT**

William Silverman
Douglas J. Heffner
Richard P. Ferrin
James R. Simoes
Hunton & Williams
1900 K Street, N.W.
Washington, D.C. 20006
Counsel to Sandvik Steel Company

January 15, 2002

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I. Introduction

Sandvik Steel Company ("Sandvik") produces high quality specialized carbon and alloy cold rolled products that are not available in commercially viable quantities from domestic producers. These products are: (1) woodband saw steel for the manufacture of saws for the lumber cutting industry; (2) grade 20C steel for flapper valves, which are used in the automotive industry for air conditioning units; (3) grade 20C steel for shock absorber valves, which are also used in the automotive industry; (4) grade 20C steel for doctor blades, which are used in the printing industry; (5) cement kiln steel, to make steel plates for kilns in the cement industry; and (6) die steel, used for making dies for the leather cutting industry.

Because these products nor suitable alternatives are available domestically, and domestic consumers rely on Sandvik to supply the products, Sandvik has requested that the products be excluded from any Section 201 relief. Detailed product specifications were provided in Sandvik's Request For Exclusion submitted to the United States Trade Representative ("USTR") on November 13, 2001. Because there is no adequate domestic supply of these products, the President should grant Sandvik's request to exclude these cold rolled products that are imported by Sandvik from any import relief. Purchasers of Sandvik products would be seriously injured if these products were included in relief.

The association of Cold Rolled Strip Producers (the "association") asserts that certain domestic producers manufacture the products that Sandvik seeks to exclude, but its assertions are unsupported and incorrect. The association presents no records of such sales, no information showing technical capabilities, no offers for sales, no plan to acquire the technology or equipment. Nothing. Nothing except a simple declarative statement that domestic producers do or can make a product. In fact, some of these domestic producers have stated to Sandvik or its

customers in writing that they do not, and cannot, make the products at issue. These letters are attached to this submission.

Sandvik and its customers, on the other hand, present ample evidence that the domestic industry does not, in fact, produce the products at issue. Great weight should be given to the submissions by Sandvik customers because steel consumers are in constant contact with numerous potential steel suppliers, and are, accordingly, in the best position to assess the products that are available in the market. Letters previously submitted by several Sandvik customers are attached hereto for the convenience of USTR. These letters detail the inability of the domestic industry to supply the market with suitable products. The domestic industry has not provided any information that would cast doubt upon the statements of Sandvik's customers. These statements must, then, be taken as true. The domestic industry simply does not produce the cold rolled products at issue.

Basic notions of fairness dictate that general, unsupported claims by the Association that domestic producers can make a product should carry little weight when countered with detailed submissions from unbiased customers (and, in some cases, the domestic producers themselves) stating unequivocally that the domestic industry cannot, in fact, produce the product. The Association has not, however, produced anything more than such general claims. Sandvik's exclusion request should, accordingly, be granted.

II. Specific Products

A. Woodband Saw Steel

The Association asserts that Thompson, Theis and Greer make or can make woodband saw steel. Theis and Greer, however, have stated in writing that they do not make this product. Their submissions are attached. In addition, Mr. Kenneth Myer of Simonds Industries, Inc., a large purchaser of woodband saw steel stated in a meeting with the Trade Policy Staff

Committee on January 10, 2002, that Thompson has never offered to provide his company with woodband saw steel, even though he is in constant contact with Thompson representatives and they are aware that his company purchases a large amount of woodband saw steel. Mr. Myer and other customers also submitted letters to USTR in support of Sandvik's exclusion request. Those letters are also attached. Neither the Association nor Thompson have submitted any information to rebut these customer submissions.

B. Grade 20C Steel For Flapper Valves

The Association asserts that Thompson makes or can make flapper valve steel. Neither Thompson nor the Association have, however, submitted any documents supporting this claim. Further, Mr. George Singos of DE-STA-CO Manufacturing, a large consumer of flapper valve steel, stated in a meeting with the Trade Policy Staff Committee that Thompson has never offered to supply his company with flapper valve steel. Mr. Singos also noted that the steel used in his products must be preapproved by his customers through a complex qualification process that can take years, and that no domestic producers are approved by his customers. Several of his customers, in fact, specifically require Sandvik steel. The letters of DE-STA-CO and Fusite supporting Sandvik's request are attached. Further, as discussed below, Thompson has refused to provide a large Sandvik customer with a quote on doctor blade steel. Because doctor blade steel is a lower specification than flapper valve steel, Thompson's admission that it cannot produce doctor blade steel is also an admission that it cannot produce flapper valve steel.

C. Grade 20C Steel For Shock Absorber Valves

The Association asserts that Thompson and Theis make or can make shock absorber valve steel. Neither Thompson, Theis, nor the Association have, however, submitted any documents supporting this claim. Large purchasers of shock absorber valve steel have, however,

submitted documents refuting this claim. Delphi Automotive Systems states that it has been unable to certify any domestic producers for Grade 20C shock absorber valve steel because domestic products have been unable to meet Delphi's flatness requirement. Tokico, another large purchaser, has stated also stated that it has found no domestic source for this product. The submissions of Delphi and Tokico are attached. Further, as discussed below, Thompson has refused to provide a large Sandvik customer with a quote on doctor blade steel. Because doctor blade steel is a lower specification than shock absorber steel, Thompson's admission that it cannot produce doctor blade steel is also an admission that it cannot produce shock absorber steel.

D. Grade 20C Steel For Doctor Blades

The Association asserts that Thompson and Theis make or can make doctor blade steel. Neither Thompson, Theis, nor the Association have, however, submitted any documents supporting this claim. Max Daetwyler Corporation, a large manufacturer of doctor blades, states that it is unable to purchase doctor blade steel of the requisite quality from any domestic source, and that Sandvik is one of only two companies in the world that produces the product to the company's specifications. In fact, Daetwyler again as recently as January 11, 2002, sent Thompson a request for a quote on this product, but Thompson refused to provide a quote. Doctor blade steel is a lower specification than flapper valve steel or shock absorber steel. Accordingly, if Thompson admits that it cannot produce doctor blade steel, it also must not be able to produce flapper valve steel or shock absorber steel. The submission of Daetwyler and the correspondence between Daetwyler and Thompson regarding Daetwyler's recent attempt to purchase from Thompson are attached.

E. Die Steel

The Association asserts that Thompson and Theis make or can make die steel. Neither Thompson, Theis, nor the Association have, however, submitted any documents supporting this claim. In order to make die steel products, steel mills need to be equipped with a combination of technical competence and production techniques on site to undertake the following operations: (1) bainite hardening; (2) controlled decarburization; (3) profile rolling; and (4) controlled edge grinding. No U.S. mills can effectively undertake all four of these operations, which are essential to the production of die steel products. No domestic producer makes die steel, and there is no U.S. produced substitute for die steel.

F. Cement Kiln Steel

The Association asserts that Thompson and Theis make or can make cement kiln steel. Neither Thompson, Theis, nor the Association have, however, submitted any documents supporting this claim. In fact, there is no evidence of any domestic production of this product.

III. Granting Sandvik's Request For Exclusions Will Not Jeopardize the Affirmative Injury Determination On A Parallelism Theory Before the World Trade Organization

In a meeting with the Trade Policy Staff Committee on January 10, 2002, Mr. Stephens noted that the European Union intends to appeal the International Trade Commission's affirmative injury determination to the World Trade Organization on a parallelism theory if the President grants exclusion requests. Mr. Stephens also stated that this threat may make it more difficult for the President to grant exclusion requests. The President need not be concerned, however, that granting the instant exclusion request will jeopardize the validity of the ITC's determination.

First, the products for which exclusions are requested are imported into this country in such a trivial quantity that their exclusion would have had no effect on the ITC's injury analysis.

Second, because of the high prices of these specialized products as compared to other imports, exclusion of these products from the ITC's injury analysis, would lead to the pool of imported products being investigated having a lower average price. Thus, while nearly certain to have no impact at all on the injury analysis, exclusion would, if anything, strengthen the case for an affirmative determination.

Finally, this parallelism argument ignores the mandate in Section 203 of the Trade Act that the President analyze various factors, including, but not limited to, the ITC's report, before determining what relief to impose. The President can avoid any parallelism issues simply by making his own determination that, despite the exclusion of a small amount of the imports on which the ITC's determination was based, imports that remain subject to the investigation were imported in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic steel industry.

IV. Conclusion

For the foregoing reasons, Sandvik respectfully requests that the President exclude the following products from any import relief proclamation under section 203(a): (1) woodband saw steel; (2) grade 20C steel for flapper valves; (3) grade 20C steel for shock absorbers; (4) grade 20C steel for doctor blades; (5) cement kiln steel; and (6) die steel.

Respectfully submitted,

 (by JRS)

William Silverman
Douglas J. Heffner
Richard P. Ferrin
James R. Simoes
Hunton & Williams
Counsel to Sandvik Steel Company

WOODBAND SAW STEEL



THEIS PRECISION STEEL CORPORATION

300 Broad Street • Bristol, CT 06010-6659
Tel. (860) 589-5511 Fax: (860) 589-7411

December 21, 2001

To Whom It May Concern:

RE: Trade Case for Cold Rolled and 201 Trade Case
Product: Wide Wood Band Steel - 2 ½% Nickel - 4 1/8" wide and wider

Theis Precision Steel Corporation has attempted to produce Wood Band steel for Simonds Industries, but was unsuccessful and therefore could not be considered to be a supplier at this time.

It is expected that at some point in the future, we will make the investments necessary to produce a Wood Band steel acceptable to the market.

If there are any questions, please feel free to contact us.

Sincerely,

Richmond W. Glover
President & COO

mh

Attachments

To: <gary.schlager@sandvik.com>
cc:
"Charles Maul" <cmaul@greersteel.com> Fax to:
Subject: Product Exclusion Woodban Saw
Steel

01/03/02 03:34 PM

Dear Gary,
Please be advised Greer Steel has withdrawn any reference to Woodban Saw
Steel as we cannot produce it. Greer Steel does not harden and temper
steel.
If you have any further questions please call.
Best Regards,
Charles Maul
V.P. Sales

KENNETH R. MYER
Vice President-Procurement

November 7, 2001

The Honorable Robert B. Zoellick
United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Dear Ambassador Zoellick:

My name is Kenneth R. Myer and I am Vice President of Procurement for Simonds Industries, Inc. located in Fitchburg, Massachusetts. We are a 169 year old company for industrial cutting tools. I have worked for Simonds and have been involved in the wood cutting industry for almost 30 years. I have been purchasing cold-rolled steel for band saws for over 15 years. One hundred percent of our band saw production relies on imported cold-rolled steel for band saws, because no U.S. mill can or will produce band saw steel. We purchase approximately one million pounds of 2% Nickel and run Nickel material for the wide wood band cutting industry from Sandvik in Sweden because we have not been able to find a domestic producer that will meet our specifications. Our band saws are used in the sawmill industry to cut logs into lumber. This is a very specialized type of steel and there is very small demand for it worldwide. That is why there are so few producers of this steel. We request that no relief be granted for this band saw material, as there is no domestic supplier available that manufactures this product.

Wood band saw steel is a high-carbon steel that is heat-treated, tempered and polished. It has to be able to bend and withstand a tremendous amount of pressure. The saw is bent around two wheels. These wheels stretch the blade and apply from 10,000 to 20,000 pounds per square inch of pressure. We require a very specific chemistry to prevent this blade from breaking and not only stopping production in the mill, but also potentially injuring the workers. The two wheels stretch the blade very tight and it is only this pressure that keeps the saw on the wheels. The wheels stretch the center of the blade longer than both of the sides in order to keep it on the wheels. Because of the high demands that are placed on this saw, it requires a consistent molecular structure throughout the saw. When making a band saw, we must stretch and flatten the band saw steel until it is very thin and flat. It is important that the material stretches evenly across it and it must stay very flat. There are very tight specifications on these band saws. Virtually no steel mill can make the steel straight enough, so we must straighten it before making the band saws. To our knowledge, there is no substitute to this steel for this industrial wood cutting application.

Theis Precision Steel in Bristol, Connecticut tried to supply us with band saw steel, but they were unable to correctly manufacture this product. Theis is, in fact, our largest supplier of strip steel for other products manufactured by Simonds. There is only one other potential domestic supplier of band saw steel -- Nedwick Steel Company in Wisconsin. We purchased some band saw steel from them in 1998 to do a trial run. We found that there were tensioning problems and their steel did not meet our specifications. The quality was not high enough for us to manufacture band saws. We spoke with Nedwick Steel at the time and they agreed that there were problems with the steel and that it did not meet our specifications. They gave us a credit for the band saw steel we had purchased and we scrapped the remaining steel from Nedwick. Because Nedwick Steel is pricing lower than imports from Japan or Europe, we have been very eager to buy their steel. We informed them that whenever they feel their steel will meet our specifications that we are more than willing to do another trial. I recently spoke with Nedwick Steel and they informed me that they are not yet ready for another trial. We are totally reliant on imports of band saw steel as there is no domestic supplier that can meet our specifications.

We in the industrial wood cutting business have been in a recessionary period since mid-2000. Any increase in the duty on this product will impact the competitiveness of our product against other technologies for cutting wood. There is no U.S. producer who makes band saw steel. Placing tariffs and quotas would not help the domestic producers, because there are no domestic producers. Tariffs and quotas would only hurt our business as well as all of the U.S. band saw operations. Band saw steel is a specialty product that should be excluded from this Steel 201 investigation.

Sincerely,



Kenneth R. Myer



November 12, 2001

Ambassador Robert B. Zoellick
United States Trade Representative
600 17th Street, N.W.
Washington, DC 20508

Re: Section 201 Investigation - Case No. TA-201-73

Dear Ambassador Zoellick:

My name is Mike Cloutier and I am the President of Cut Technologies, the manufacturer of high quality band and round saws for the lumber industry. We have been providing saws to the American and Canadian lumber industries for many years by combining saws made out of the finest European steel with the latest innovations in saw design. We place a high premium on our ability to manufacture saws that are of the highest quality. We are therefore writing this letter to explain why obtaining Sandvik steel is critical to our business and to ask that you exclude Sandvik's wood band saw steel from any relief action you recommend to the President in the Section 201 case.

We have been purchasing wood band saw steel from Sandvik for six (6) years. Wood band saw steel is a specialized product that is provided in a limited marketplace, and U.S. producers lack both the equipment and technology to roll steel that is suitable to manufacture products for the primary lumber industry.

Today our customers demand thinner and flatter blades, which we manufacture using a very high grade of material that domestic producers simply do not produce. We have tried in the past to purchase wood band saw steel from domestic producers, but have never been able to do so. We have contacted a U.S. supplier with our needs, and have not seen any resulting attempts to make steel to our strict market driven standards.

Because there are no U.S. producers of the quality of wood band saw steel that we need, we must procure band saw steel from foreign suppliers. To the best of my knowledge, only three or four companies in the world, (Sandvik, Uddeholm, Daido and Martin Miller), are capable of supplying wood band saw steel of the requisite quality. Restricting imports of band saw steel from Sandvik would only serve to hurt our ability to produce a quality product. This is because our customers specify that we purchase wood band saw steel only from certain approved purchasers, including Sandvik.

For these reasons we hope that you will exclude wood band saw steel from any relief recommendations you make to the President. Please do not hesitate to contact me at (360) 733-0460 if you have questions or would like any additional information.

Regards,

Mike Cloutier
President

CUT TECHNOLOGIES USA, INC.

3254 Bennett Drive
Bellingham, WA 98225
1-800-438-4370 • Fax: (360) 733-0618



www.cuttech.com

CUT TECHNOLOGIES CANADA LTD.

343 Dawson Ave.
Pentteton, B.C. V2A 3N5

GRADE 20C FOR FLAPPER VALVES



DE-STA-CO
MANUFACTURING

ENGINEERED SOLUTIONS

250 Park Street, Troy, MI 48063
PO Box 5027, 48007
Tel (248) 733-5800

ISO 9002/ QS 9000

November 7, 2001

The Honorable Robert B. Zoellick
United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Re: Section 201 Investigation on Certain Steel Products, Inv. No. TA 201-73

Dear Ambassador Zoellick:

My name is George Singos and I am the Purchasing Manager at DE-STA-CO Manufacturing, a global manufacturer of certain valve, tubular and other critical performance components for a variety of industries, including automotive, aerospace, marine, appliance and air conditioning. More specifically, we manufacture steel flapper valves for air conditioning units, primarily for the automotive industry. We purchase the majority of flapper valve steel for automotive air conditioning units from Sandvik Steel Company.

It is of the utmost importance that the quality of the flapper valve steel we use be superior. The function of the flapper valve is critical; it covers the porthole that allows the flow of gases that generates the cooling process. If the flapper valve bends in any way the unit may not be used. Because of this requirement, our customers have instructed us only to purchase flapper valve steel from certain approved sources. The only manufacturers of customer approved flapper valve steel are non-U.S. companies, including Sandvik. It is therefore crucial to our business to be able to use imported flapper valve steel.

Not only are there no approved U.S. manufacturers of flapper valve steel, we know of no domestic mills that even produce this product. Because no U.S. producers are eligible suppliers of flapper valve steel, it would seriously injure our business if imports of the high quality flapper valve steel on which we rely were restricted. Therefore, I respectfully request that flapper valve steel be excluded from any relief recommendation to the President.

Please do not hesitate to contact me at 248-733-5853 should you have additional questions regarding this matter.

Sincerely,

George Singos
DE-STA-CO- Manufacturing

FUSITE

November 7, 2001

The Honorable Robert B. Zoellick
United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Re: Section 201 Investigation on Certain Steel Products, Inv. No. TA-201-73

Dear Ambassador Zoellick:

I am writing on behalf of Fusite, Division of Emerson Electric. I am the Director of Procurement of the Fusite division. The Fusite division of Emerson Electric produced flapper valves for compressors used in air conditioners. Flapper valves are used for the release of gases in compressors, which in turn produces the cool air.

We produce components from flapper valve steel, which we purchase from Sandvik Steel Company. Sandvik Steel Company imports this product from its parent company in Sweden, AB Sandvik Steel. We purchase approximately \$1 million in flapper valve steel from Sandvik Steel Company.

The reason that we purchase this steel from Sandvik Steel Company is two-fold. First, our customers specify the supplier of steel that we must use for the flapper valves. Second, there are only three suppliers of flapper valve steel in the entire world: Sandvik, Uddeholm, and Hitachi.

Not only are there no approved domestic suppliers of flapper valve steel, but no domestic producer even makes this material. The product is extremely difficult to produce because of the specifications for flatness and cleanliness. Moreover, unlike the market for normal steel products, the market for this product is small and the product is extremely specialized.



EMERSON

FUSITE DIVISION

EMERSON ELECTRIC CO.
6000 FERNVIEW AVENUE
CINCINNATI, OHIO 45212-1399
(513) 731-2020
FAC # 513-631-6456

Given the fact that no domestic producer makes flapper valve steel, it would be counterproductive to include the product in any remedy that the President will impose. Because no domestic producer makes flapper valve steel, any remedy that would include this product would only serve to hurt consumers such as ourselves. Therefore, I respectfully request that you exclude flapper valve steel from any relief recommended to the President.

Please do not hesitate to contact me if you require any additional information at 513 366-2215.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard Vonderheide".

Richard Vonderheide

SHOCK ABSORBER VALVE STEEL

November 13, 2001

Ambassador Robert B. Zoellick
United States Trade Representative
600 17th Street, N.W.
Washington, DC 20508

Re: **Section 201 Investigation - Case No. TA-201-73**

Dear Ambassador Zoellick:

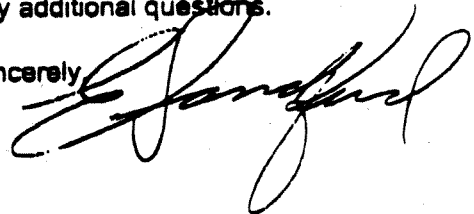
My name is Eric Sandford and I am the Deputy Director of Raw Materials Purchasing at Delphi Automotive Systems ("Delphi"). We are a U.S. producer of advanced automotive components, systems and modules including shock absorbers. We are writing to urge you to exclude grade 20C steel produced by Sandvik Steel Company from any relief recommendations you make to the President with respect to the Section 201 case referenced above.

Grade 20C steel is a specialized form of steel that is only produced by a handful of companies worldwide. We purchase about 450 tons of grade 20C steel per year from Sandvik to manufacture valves used in shock absorber production. We have been buying grade 20C steel from Sandvik for many years because of the quality of Sandvik's product.

Delphi has no domestic producers certified to supply grade 20C for shock absorber valves. Few domestic mills produce a grade 20C material. The domestic producers have from time to time attempted to sell their grade 20C product to us; however, their products have never met our specifications. Specifically, the domestic mills could not meet our specifications for flatness. Flatness is an absolute requirement to ensure the valves within the body of the shock absorber do not leak fluids. Leaking shock absorbers is a major customer quality complaint that could lead to a major warranty or recall campaign. Delphi cannot sacrifice product material quality and product safety to our customers. Consequently, we have never been able to purchase this material from any domestic producer. As it is critical to our business to be able to manufacture superior quality shock absorbers, valves included, we respectfully request that you exclude Sandvik's grade 20C steel from any relief recommendations you make to the President.

Please call me at 248-267-5983 if you have any additional questions.

Sincerely



TOKICO

TOKICO (USA) INC.
301 Mayde Road
Berea, Kentucky 40403-9777
(859) 986-2359
(859) 986-7114 fax

November 9, 2001

The Honorable Robert B. Zoellick
U.S. Trade Representative
600 17th Street, N.W.
Washington, DC 20508

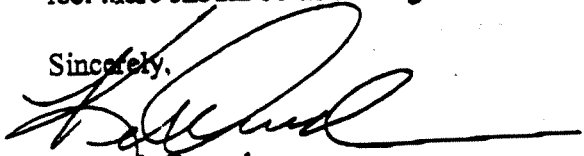
RE: Section 201, Investigation on Certain Carbon and Alloy Steel Flat Products

TOKICO (USA), Inc. in Berea, KY is a manufacturer of suspension shocks and struts for the American Automobile Manufacturers. (O.E.M).

Tokico buys specific high carbon steel from Sandvik Steel Co., which is manufactured in Sweden. This product is used in the valving function of the shocks and struts, which assures a high quality of functionality.

According to our investigation, we have not found a domestic producer of the product who can assure the equivalent grade and quality of the Sandvik material. Therefore, we feel there should be no relief granted for this particular product.

Sincerely,



Kenneth Conrad
Purchasing Director

GRADE 20C FOR DOCTOR BLADES

By: JAN. 11. 2002 4:29PM
MAX DAETWYLER CONF.;THOMPSON STEEL
704 948 1249;

Jan-11-02 6:12; NO. 888

P. 1/1
Page 1/2

FAX

US HEADQUARTERS

Max Daetwyler Corporation, 13420 Reese Blvd. W., Huntersville, NC 28078 ■ (704) 875-1200 ■ Fax (704) 875-0781

DAYTON DIVISION

Max Daetwyler Corporation, 4105 Executive Drive, Dayton, OH 45430-1081 ■ (937) 427-1022 ■ Fax (937) 427-6393

Attention: Julie Taglia

Date: 1/11/02

Company: Thompson Steel Co., Inc.

From: Max Daetwyler Corporation

Fax Number: 847/678-4453

No. of Pages: 2
(Including cover)E-mail: www.daetwyler.com

Subject: Please quote the following below:

Part Number	Description	Quantity
RW06	Raw White Steel .006	5000lbs
RW08	Raw White Steel .008	4000lbs

Material above must be domestic material. Please see attached sheet for material specifications.

Please have quote pricing back by January 15th, 2002.

If any questions, please feel free to contact Michele Honeycutt.

Sincerely,

Michele Honeycutt

Materials Assistant/Buyer

Direct Number 704/948-1203

Direct Fax Number 704/948-1249

To: Michele

No Quote

Don't Roll to
.008

www.daetwyler.com

If you did not receive the entire fax, please call 704/875-1200



Daetwyler

INTERNET www.daetwyler.com

US HEADQUARTERS

Max Daetwyler Corporation, 13420 Reese Blvd. West, Huntersville, NC 28078 ■ TEL: (704) 875-1200 FAX: (704) 875-0781

DAYTON DIVISION

Max Daetwyler Corporation, 4105 Executive Drive, Dayton, OH 45430-0181 ■ TEL: (937) 427-1022 FAX: (937) 427-1375

November 8, 2001

The Honorable Robert B. Zoellick
United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 200508

Re: Section 201 Investigation on Steel

Dear Ambassador Zoellick:

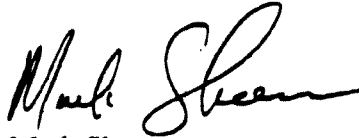
I am writing to you on behalf of Max Daetwyler Corporation, located in Huntersville, North Carolina. Max Daetwyler is a manufacturer equipment for the Graphic Arts industry, including cleaning systems, doctor blades, plating, finishing, engraving, material handling, and automation. We have 14 locations and employ 850 people worldwide. We purchase H/T spring steel from Sandvik Steel Company to make doctor blades, which are used in the printing industry. Because it is critical that we purchase H/T spring steel of a very high quality to make doctor blades, we are writing to request that you exclude Sandvik's H/T spring steel from any import relief you recommend to the President in the Section 201 case.

Doctor blades are precision, machined ground consumable slits of strip steel for use on printing presses. Each cylinder on a printing press has a doctor blade that removes the excess ink off of the cylinder which allows the cylinder to transport various inks to the sub-straight products such as paper, packaging material, or even floor covering. Our doctor blades are used on printing presses to print items such as magazines, advertisements, and product packaging. Our customers include American Greetings, RJR Nabisco, R.R. Donnelly & Sons, and Quebecor as well as sub-suppliers which supply Mars, Philip Morris, Coors, and other producers of high volume, high quality printed products. To work properly, a doctor blade must have a certain chemical/metallic composition that is crucial to its quality. If not made with certain appropriate grains of steel, the doctor blade will cause streaking on the printing press as the blade wears out, and the printed product will be unacceptable. We purchase about 40,000 kilograms of H/T spring steel from Sandvik per year. To the best of our knowledge, Sandvik is one of only two companies in the world that produce this product to the quality specifications our product demands.

Given that we must use such high quality steel to manufacture our products and we are unable to purchase steel of this quality from any U.S. manufacturers, it is very important to us to be able to import H/T spring steel from Sandvik. Therefore, we are asking that you exclude Sandvik's H/T spring steel from any import relief recommendations you make to the President in connection with the 201 case. If you would like to discuss this with us in more detail we would be happy to do so.

INNOVATION FOR THE GRAPHIC ARTS INDUSTRY

Sincerely,



Mark Shores
Chief Financial Officer